

Emerging markets and BRICS: Growth Strategies for India Inc, by Dr. Vivek Moorthy



Dr. Vivek Moorthy with Dr. Gajavelli VS and student managers at IMT Nagpur

The student managers of Institute of Management and Technology, Nagpur had the privilege of attending an interactive and informative guest lecture by Dr Vivek Moorthy on 23rd of October 2016. Dr Moorthy is a Senior professor of Economics and Social Science at Indian Institute of Management, Bangalore. He has been instrumental in formulating research studies and reports on monetary policy, foreign exchange and financial market developments. The central topic for the session was “Emerging markets and BRICS: Growth Strategies for India Inc”.

Here is an excerpt from the interview with him.

Q1. There is diplomatic and economic divergence among BRICS countries. Is it difficult for an organization like New Development Bank (NDB) to function at a time like this?

Ans. I have followed too closely the funding and financing of New Development Bank, but BRICS is more of a political symbol for emerging economies rather than a concrete economic entity. Most of these emerging economy groupings are regional based, but BRICS has for the first time included countries from different parts of the world which are emerging economies.

The countries have put their money together and have a common agenda to raise voice on international issues.

Q2. Recently, the Indian lawmakers approved of the plan to turn the country into one unified market by passing the GST bill. What is your take on it?

Ans. It is a good thing, but there might be some issues with the implementation. The traders are worried because they have to comply with government regulations; they will have to file three reports a month which will be difficult. So how do we benefit from higher taxes? It is better than the existing system of taxes. If you want to simplify the tax regime, just remove all these taxes between the states, why not only collect Income Tax?

Q3. How in your opinion, did forthcoming US elections and political realignments in Europe affect policies of BRICS group of nations and how will it affect India?

Ans. Let us wait and see what happens in the elections. At this point it is too premature to say something. Brexit, meanwhile, is a sign that voters are not happy with globalization and people have to sit back and think over it, Why? I do not think people have thought about it, neither the economists nor the policy makers have thought of why people are opposed to it. The reaction of ordinary people needs to be reflected upon.

Q4. How has been your experience at Institute of Management Technology, Nagpur?

Ans. Very nice! Students and faculty have been very warm. For students, I have only one advice, these are tough times, you should be optimistic but you should be cautious with respect to market changes.